

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8171

BILL NUMBER: HB 1817

DATE PREPARED: Jan 20, 1999

BILL AMENDED:

SUBJECT: Home inspector licensure.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes the Indiana Home Inspectors Licensing Board to regulate home inspectors and associate home inspectors. The bill sets the qualifications for licensed home inspectors and associate home inspectors. A person who performs home inspections for compensation without a license commits a Class B infraction. A civil action based upon the professional services of a licensed home inspector must be filed within two years from the date of the act or omission that is the subject of the complaint. This bill makes certain other changes.

Effective Date: July 1, 1999; January 1, 2000.

Explanation of State Expenditures: This bill establishes the Indiana Home Inspectors Licensing Board to regulate home inspectors and associate home inspectors. Expenses for the Board are estimated at approximately \$10,000 per year. The compensation and expenses of the board are to be paid from the State General Fund.

In addition to increased expenses associated with the operation of the new board, the Agency is to provide to the board an executive director. The executive director is to provide notice of meetings, keep records of meetings and votes taken by the board, and other proceedings and official acts. The director must also keep a current file of all licenses and licensees and perform any other duties that the board may prescribe. The Agency may need to hire an additional staff person to serve as the executive director of the board. (Additional information will be forwarded when it becomes available.)

Explanation of State Revenues: This bill provides for the licensure of home inspectors and associate home inspectors. The board is authorized to adopt rules to establish, prescribe, or change fees for licenses, renewal licenses, examinations, sanctions, penalties, and other services. The impact of this provision is indeterminable, but will depend on the number of individuals seeking licensure and the fees established by the board. Fees are deposited in the State General Fund.

A person who performs home inspections for compensation without a license commits a Class B infraction. If additional court cases occur, revenue to the State General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class B infraction is \$1,000 which is deposited in the State General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. Seventy percent of the court fee would be deposited in the State General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Professional Licensing Agency.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: